



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 16, 1997

BY FEDERAL EXPRESS

The Honorable Wajahat Habibullah
Minister of Community Affairs
Embassy of India
2107 Massachusetts Avenue, N.W.
Washington, D.C. 20008-2811

RE: MUR 4583

Dear Mr. Minister:

The Chairman of the U.S. Federal Election Commission has referred to me your letter dated December 20, 1996 for response. Your correspondence maintains that the Factual and Legal Analysis sent via the Commission's letter dated November 25th does not relate to the Embassy and further that any Federal Election Commission communications to the Embassy should be channeled through the U.S. Department of State.

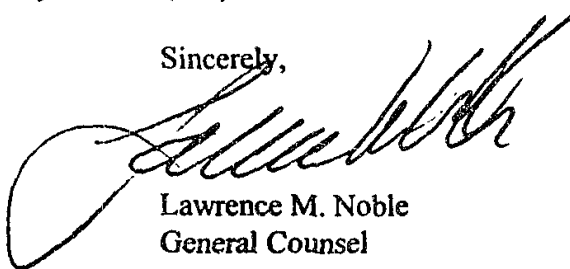
First, as the Factual and Legal Analysis briefly explained, public court documents in the U.S. criminal prosecution of Lalit Gadhia state that the funds used for the illegal contribution scheme he carried out were provided by Mr. Davendra Singh, then Minister for Personnel and Community Affairs at the Indian Embassy, and that Mr. Gadhia sent documents in connection with this scheme addressed to Mr. Davendra Singh at the Embassy. This information provided the basis for the Federal Election Commission's investigatory findings of possible violations of United States law by the Embassy of India and Mr. Davendra Singh.

Second, the Federal Election Commission is the Agency of the United States Government charged with "exclusive jurisdiction with respect to the civil enforcement" of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. § 437c(b)(1), the U.S. law that in relevant part prohibits foreign nationals and foreign governments from making direct or indirect contributions to U.S. elections. See previous enforcement matters MUR 3801 (Royal Saudi Arabian Embassy) and MUR 2892 (Coordination Counsel for North American Affairs (Taiwan)). Under its statutory authority, the Federal Election Commission acts independently and does not channel notifications with respect to possible violations of 2 U.S.C. § 441e through the State Department.

This matter is now under investigation. The Embassy and Mr. Davendra Singh have the opportunity to respond to the Commission's findings. I note that published news reports (Washington Times, June 11, 1996, page A12) described an intent by Ambassador Naresh Chandra to release the Indian Government's information about the transactions after Mr. Gadhia's sentencing. As Mr. Gadhia was sentenced in August 1996, the Commission would welcome a response providing the results of the Embassy's investigation into the matter.

Lastly, this will confirm your statement that during its pendency this matter remains confidential pursuant to 2 U.S.C. § 437g(a)(12). Section 437g(a)(4)(B), to which your letter also refers, relates solely to the confidentiality of conciliation negotiations and does not apply at this time as there has been no request for conciliation from the Embassy or Mr. Davendra Singh. While Dominique Dillenseger is the attorney assigned to this matter, please feel free to telephone me directly with any further questions you may have, at (202) 219-3690.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Lawrence M. Noble', is written over the typed name and title.

Lawrence M. Noble
General Counsel